

NEW JERSEY
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

**Christopher
Shays**

2009 JAN 22 P 4: 43

January 21, 2009

Jeffrey S. Jordan
Supervisory Attorney, Complaints
Examination & Legal Administration
Federal Election Commission
999 E Street, NW
Washington, DC 20463

RE: Complaint against:
Michael Sohn

Fairfield, Connecticut

MUR # 6162

Dear Mr. Jordan:

On behalf of the Christopher Shays for Congress for Committee ("Committee") and myself, I am filing this complaint against Michael Sohn, the former campaign manager for the Committee, for violations of the Federal Election Campaign Act of 1971, as amended, ("FECA"). A disc containing supporting information accompanies this complaint.

As is detailed below, based on our review of Committee and bank records and on information and belief, Mr. Sohn apparently misappropriated over \$150,000 in campaign funds from the Committee, improperly used those funds for personal purposes unrelated to the campaign in violation of 2 U.S.C. §439a(b), and commingled all or part of those campaign funds with his personal funds in violation of 2 U.S.C. §432(b)(3).

In addition, Mr. Sohn's misappropriation of funds and his attempts to hide his activity caused the Committee to file inaccurate reports with the Federal Election Commission ("FEC") which misstated the campaign's financial activity. This matter has been reported to the Peter S. Jongbloed, Chief of the Criminal Division of the United States Attorney's Office for the District of Connecticut and we understand that the United States Attorney's Office and the Federal Bureau of Investigation have opened an investigation. In addition, this matter has been discussed with the FEC's Reports Analysis Division and the Office of General Counsel.

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Paid for by the Christopher Shays for Congress Committee, Ralph DePanfilis, Treasurer

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I. Facts

1. Michael Sohn's Role with the Committee

The Christopher Shays for Congress Committee was the authorized committee for my 2008 campaign for re-election to Congress. Michael Sohn, who I had known and trusted for ten years, was my campaign manager. Under established Committee procedures, Mr. Sohn was responsible for the day-to-day operation of the campaign and giving preliminary approval for campaign expenditures. If Mr. Sohn approved of a proposed expenditure, he was supposed to submit the request for payment to Ralph DePanfilis, the Committee's treasurer.

Only Mr. DePanfilis could give final approval for Committee expenditures and only Mr. DePanfilis could sign Committee checks. Mr. DePanfilis also had to approve expenditures paid by other means, such as with the campaign's debit card. It was Mr. Sohn's responsibility, as campaign manager, to provide Mr. DePanfilis with the necessary documentation to justify the expenditures.

The FEC reports were prepared by staff using Aristotle Campaign Manager software and technical support, reviewed by Mr. Sohn and then given to Mr. DePanfilis. After Mr. DePanfilis reviewed and approved the reports, Mr. Sohn filed the reports with the FEC. Records of deposits and expenditures were kept by the Committee in a software database, and bank reconciliation reports were tied to FEC reports prior to their filing. Consistent with the FEC's general guidance, as the person authorized to sign the checks, Mr. DePanfilis, was not responsible for the initial review of the bank statements.

2. The Misappropriation of Funds

During the latter part of the campaign, a routine review of the Committee's financial records identified several anomalies which gave rise to some questions. For example, it appeared that the number of reconciled items on a bank statement was low. While there was no outright indication of a serious problem and the Committee was in the middle of a difficult campaign, the Committee's treasurer, Mr. DePanfilis, sought to gather the facts surrounding the anomalies to try to determine if mistakes were being made and how to avoid them.

As Mr. Sohn was responsible for the day-to-day operation of the campaign, Mr. DePanfilis made several attempts to meet with Mr. Sohn so they could discuss the anomalies and together talk to the Committee's bank, Bank of America. However, Mr. Sohn avoided the meetings, citing a series of apparently plausible excuses. Finally, not willing to wait any longer, Mr. DePanfilis went to the

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Committee's bank without Mr. Sohn in order to look at the bank's records. The bank initially looked at the bank statements Mr. DePanfilis had received from Mr. Sohn and thought they were genuine bank statements. It was only after Mr. DePanfilis and the bank reviewed other records in the bank's possession that it became apparent that the bank statements provided by Mr. Sohn in the normal course of his duties had been altered and that Mr. DePanfilis' signature on many Committee checks may have been forged.

After notifying the appropriate law enforcement authorities, the Committee initiated an internal review of records going back to January 1, 2007 to determine the extent of the misappropriation of funds and the inaccuracies in the reports filed with the FEC caused by Mr. Sohn's misappropriation and his efforts to hide the illegal activities.¹

The Committee's review to date has preliminarily identified over \$150,000 in misappropriated funds and at least four areas of apparent wrongdoing by Mr. Sohn:

1. Mr. Sohn apparently forged Mr. DePanfilis' signature on numerous committee checks that were made payable to Mr. Sohn, totaling approximately \$55,000 in 2007 and \$27,000 in 2008.
2. Mr. Sohn apparently made unauthorized withdrawals using the Committee's debit card of approximately \$20,000 in 2007 and approximately \$49,000 in 2008.
3. In addition to cash withdrawals, Mr. Sohn apparently used the Committee's debit card for personal purchases, such as sporting events and hotel rooms.
4. Mr. Sohn apparently falsified Bank of America statements and altered the Committee's internal records as part of his misappropriation of funds. In some cases, legitimate payments to vendors were approved and made, or lawful contributions were received and deposited, but Mr. Sohn either did not enter the transactions or removed records of them from the Committee's internal database, which caused them to be omitted from the FEC reports. We believe these actions were part of an

¹ Working with Aristotle, the campaign arranged to secure a backed-up version of its records as of the time when potentially fraudulent activity was discovered. These web-based records are available for review during an investigation. .

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attempt to create the illusion that the bank statements and committee's internal records were consistent.

It must be stressed that these are initial findings. The Committee's review is ongoing and that review, as well as the concurrent work of law enforcement agencies, could affect the amount of money involved and broaden the scope of potentially illegal activities.

II. Violations of FECA

As part of carrying out the misappropriation of funds, Mr. Sohn knowingly and willfully violated several provisions of FECA:²

1. Mr. Sohn improperly used campaign funds for personal purposes unrelated to the campaign in violation of 2 U.S.C. §439a(b).
2. In order to carry out this misappropriation of funds, it is believed Mr. Sohn commingled all or part of campaign funds with his personal funds in violation of 2 U.S.C. §432(b)(3).
3. By his actions, Mr. Sohn caused the Committee to file inaccurate reports with the FEC.

III. Records Being Provided to the FEC

Accompanying this complaint is a disc with documents, data and other relevant records dealing with the 2007-2008 election cycle. Additional records will be provided as they are obtained and, of course, the Committee will provide whatever assistance it can in order to help further the FEC's review.

The disk accompanying this letter contains what we believe are the relevant documents to which we have access. In certain cases (e.g. compromised bank statements), the Committee has only been able to find documents from 2008. Unless otherwise noted, all documents are in the PDF file format:

CD Title: Exhibits for Christopher Shays for Congress FEC Submission

Folder 1 Title: 2008 Compromised Bank Statements (January to September)

² Of course, potential violations of criminal laws will be handled by the Department of Justice.

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Jeffrey S. Jordan
January 21, 2009
Page 5

Folder 2 Title: 2008 Checks Written to Michel Sohn and Forged by
Michael Sohn

Folder 3 Title: 2007 Checks Written to Michael Sohn and Forged by
Michael Sohn

Folder 4 Title: 2008 Official Bank Statements (January through December)

Folder 5 Title: 2007 Official Bank Statements (January through December)

Folder 6 Title: 2008 Bank Statements in Excel

Folder 7 Title: 2008 Campaign Manager Data in Excel

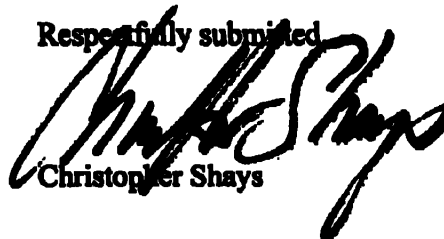
Folder 8 Title: 2007 Campaign Manager Data in Excel

IV. Conclusion

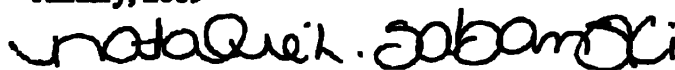
Michael Sohn had worked with my campaign for ten years and was a trusted employee. However, it is now apparent that he betrayed that trust by misappropriating over a \$150,000 from the Committee, violating several provisions of the Federal Election Campaign Act. Therefore, I ask the Commission to initiate an investigation and take all appropriate action against Mr. Sohn.

Please do not hesitate to call me if you need additional information or wish to discuss any of these matters.

Respectfully submitted


Christopher Shays

This has been sworn and attested
to me this 21st day of
January, 2009



NATALIE L. SABANSKI
NOTARY PUBLIC
MY COMMISSION EXPIRES 4/30/10

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